

## *DOT Short Term Lending Program*

Many disadvantaged and women-owned business enterprises, hereinafter referred to as DBEs, that are qualified to perform transportation related contracts have experienced difficulty in obtaining short term working capital. In response, the U.S. Department of Transportation (DOT) Short Term Lending Program (STLP) was developed by the Office of Small and Disadvantaged Business Utilization (OSDBU) to offer certified DBEs the opportunity to obtain short term working capital at prime interest rates for transportation related projects.

### Program Structure

The STLP provides revolving lines of credit to finance accounts receivable arising from transportation related contracts. The primary collateral consists of the proceeds of the contracts. Borrowing under the lines of credit are to meet the short term costs of performing the contract(s) being financed

### Transportation Related Contract

A transportation related contract is defined as a contract for the maintenance, rehabilitation, restructuring, improvement, or revitalization of any of the nation's modes of transportation with any public or commercial provider of transportation of any Federal, State or local transportation agency. In addition, such a contract may be with any other Federal agency; provided that, and within the discretion of the Director of DOT's OSDBU, each contract will assist a DBE in competing subsequently for contracts with either a public or commercial provider of transportation of any Federal, State or local transportation agency. This provision is applicable to any prime contractor or subcontractor, of any tier, of such a transportation provider or agency.

### Certification

Certification of DBE status is performed by recipients of federal transportation funds under DOT guidelines (49 CFR, Part 23 and 26). Information is available through the DBE liaison office of each state and possession. The addresses and contact persons of the liaison offices are listed in DOT's Marketing Information Package and may also be obtained from DOT. No additional certification is required for firms certified by the U.S. Small Business Administration under Section 8(a) and Small Disadvantaged Business (SDB).

### Most Often Asked Questions about the DOT Short Term Lending Program

The following questions and answers have been developed as a guideline to the program qualifications and procedures:

Q: Who can apply for the DOT STLP?

A: Any company may apply which has a transportation related contract and has current certification as a DBE by any agency applying DOT certification guidelines (49 CFR, Part 23 and 26) or by the U.S. Small Business Administration Section 8(a) program.

Q: What type of financing is provided by the DOT STLP?

A: Short term working capital is provided in the form of a revolving line of credit for which the primary collateral is accounts receivable arising from the contracts or subcontracts being financed. The maximum line of credit is \$500,000.

Q: How are the lines of credit provided?

A: The STLP is administered by the DOT OSDBU through cooperative agreements between DOT and four banks (STLP banks). Loan documentation and financing transactions are performed by the STLP bank which offers the line of credit.

Q: How are the funds provided by the line of credit to be used?

A: Borrowings under the lines of credit are to meet the short term costs of performing the contract(s) being financed. Due to the STLP structure and the short term nature of borrowings, funds are not available for: contract mobilization; equipment purchases or other long term uses; refinance of existing debt; payment of non-current taxes; distributions or other payments to stockholders.



Q: How are funds borrowed and repaid under the line of credit?

A: Funds may be borrowed against each invoice of the contract(s) being financed. Repayment occurs as the project owner or prime contractor pays the invoice. The payment is made jointly to the borrower and to the STLP bank and is sent to the bank, which repays the amount borrowed against the invoice and transmits the balance to the borrower.

Q: How is the interest rate determined?

A: Borrowings under the line of credit bear interest at the prime rate as published daily in the Wall Street Journal, adjusted on the first day of each calendar month.

Q: How long can the line of credit be used?

A: A line of credit normally covers a one year period, and one or more renewals may be requested.

Q: How does my company apply?

A: Loan applications may be obtained from DOT or from the STLP banks listed below. Completed applications may be forwarded to DOT or to the STLP bank. The name and address of each STLP bank and the states which it services are listed below.

Q: What types of information must be included with the application?

A: The application materials include a list of information items which support the application. Among them are the following:

- Business and personal financial statements
- Business and personal income tax returns
- Cash flow projections
- Accounts receivable and accounts payable
- Company profile

Q: Where can I obtain assistance in preparing the application package?

A: Firms may consider utilizing the services of the U.S. Department of Commerce's Minority Business Development Centers, the State Supportive Services Programs, the U.S. Small Business Administration's Small Business Development Centers, or private organizations as possible sources for assistance or guidance in preparing application packages.

Q: Who makes the decision for a line of credit application?

A: Decisions are made by both the STLP bank and by DOT.

Q: Can my company apply if it does not currently have a transportation related contract?

A: A company which does not have a transportation related contract may apply at such time as it has received Reasonable assurance that it is being considered for a specific transportation related contract. Any offer of a line of credit will be conditional upon the company receiving an eligible contract and will be subject to review after the contract is obtained.



For More Specific Information on the Short Term Lending Program, please contact:

U.S. Department of Transportation  
Office of Small and Disadvantaged Business Utilization S-40  
400 7th St., SW, Rm. 9410  
Washington, DC 20590  
(800) 532-1169; (202) 366-2852

### **STLP Banks**

**AK, AZ, CA, CO, HI, ID, MT, NV, NM, ND, OR, SD, UT, WA, WY**

Cathay Bank  
777 North Broadway  
Los Angeles, California 90012  
Wayne G.K. Chow  
Business Banking Officer  
(213) 625-4709  
(213) 625-3915 Fax  
Hours: Monday-Friday 9:00am-5:00pm (PST)  
Email: [Wayne.Chow@cathaybank.com](mailto:Wayne.Chow@cathaybank.com)  
Website: <http://www.cathaybank.com/DOTLoans.htm>

**AL, AZ, AR, IL, IN, IA, KS, KY, LA, MI, MN, MO, MS, NE, OH, OK, TN, WI**

Seaway National Bank  
645 East 87th Street  
Chicago, IL 60619  
Arlene Carruthers-Williams, Senior VP / Lending  
Lorette Yamini, Vice President/Commercial Lending  
773-602-4120  
Fax: 773-487-1850  
Website: [www.seawaybk.com](http://www.seawaybk.com)  
Hours: Monday-Friday 9:00am-5:00pm (CST)

**Washington Metropolitan Area including Maryland, Virginia and the District of Columbia**

Admas National Bank  
1627 K Street  
Washington, D.C. 20006  
Kathy Speakman, Asst. VP, Commercial Lending  
Phone: 202-466-4090 ext. 138  
Fax: 202-835-3871  
E-mail: [kspeakman@adamsbank.com](mailto:kspeakman@adamsbank.com)  
Website: [www.adamsbank.com](http://www.adamsbank.com)  
Hours: Monday-Friday 9:00am-3:00pm Friday til 5:00 (EST)

**CT, DE, FL, GA, ME, MD, MA, NH, NJ, NY, NC, PA, RI, SC, VT, VA, WV, Puerto Rico, US Virgin Islands**

Hamilton Bank, NA  
8750 NW 87<sup>th</sup>, Avenue  
Miami, Florida 33178  
Sylvia Gomez  
Second Vice President  
(305) 717-5539  
Sherly Darsey  
(305) 717-5536  
(305) 591-3172 Fax  
Email: [silviag@hamiltonbank.com](mailto:silviag@hamiltonbank.com)  
Website: <http://www.hamiltonbank.com/minority.html> Hours: Monday-Friday 8:30am-5:30pm (EST)

**Washington Metropolitan Area including Maryland, Virginia and the District of Columbia**

The Harbor Bank of Maryland  
25 W. Fayette Street  
Baltimore, Maryland 21201  
Marc A. Batchelor, Commercial Loan Officer  
Phone: 410-528-1800 ext. 3017  
Fax: 410-528-1420  
E-mail: [marcbatchelor@theharborbank.com](mailto:marcbatchelor@theharborbank.com)  
Website: [www.theharborbank.com](http://www.theharborbank.com)  
Hours: Monday-Friday 9:00am-5:00pm (EST)

**The State of Texas**

Lone Star National Bank  
P.O. Box 1127 100 W. Ferguson  
Pharr, Texas 78577  
Paul Rodriguez, Executive Vice President  
Phone: 956-781-4321  
Toll Free: 800-580-0322  
Fax: 956-984-2277  
E-mail: [paul@lonestarnationalbank.com](mailto:paul@lonestarnationalbank.com)  
Website: [www.lonestarnationalbank.com](http://www.lonestarnationalbank.com)  
Hours: Monday-Friday 9:00am-4:00pm Friday til 6:00 (CST)

